

Review of India's trade policies by WTO

888. SHRI B.K. HARIPRASAD: Will the Minister of COMMERCE AND INDUSTRY be pleased to state:

(a) whether India's trade policies since 2002 await a review by the World Trade Organisation later this month;

(b) whether there are binding implications flowing from the impending WTO review of India's trade policies and whether this will have any bearing on the India's proposed Free-Trade Agreements with ASEAN; and

(c) if so, the details thereof?

THE MINISTER OF STATE IN THE MINISTRY OF COMMERCE AND INDUSTRY (SHRI JAIRAM RAMESH): (a) A review of the Trade Policy of India by the Trade Policy Review Body (TPRB) of the World Trade Organisation (WTO) is scheduled for 23 and 25 May, 2007.

(b) and (c) The periodic reviews by Trade Policy Review Body (TPRB) enables the regular collective appreciation and evaluation of the full range of individual Members' trade policies and practices and their impact on the functioning of the multilateral trading system. It is not intended to impose new policy commitments on Members. Thus there are no binding implications of the forthcoming review for India. The review will also have no bearing on India's proposed free trade agreement with ASEAN.

Retail sales by foreign Institutes

†889. SHRI RAM JETHMALANI:

DR. MURLI MANOHAR JOSHI:

Will the Minister of COMMERCE AND INDUSTRY be pleased to state:

(a) whether Government have decided to approve the proposal to allow institutes having foreign capital to sell items manufactured by certain industries, in the country's retail market;

(b) if so, the details thereof and for the sale of which items of such institutes permission would be given for the present;

† Original notice of the question was received in Hindi.

(c) whether Government have fixed any criteria for selection of such items, if so, the details thereof; and

(d) the reasons for the Government pursuing the policy of connectively approving foreign capital in retail market?

THE MINISTER OF STATE IN THE MINISTRY OF COMMERCE AND INDUSTRY (SHRI ASHWANI KUMAR): (a) and (b) As per the extant policy, Foreign Direct Investment (FDI) is permitted in wholesale cash and carry trading (Viz. Business-to-Business sales), trading from exports, trading of items sourced for Small Scale Sector and retail trading of 'Single Brand Products'.

(c) FDI up to 51% in retails trade of 'Single Brand' products is subject to the following conditions:

- i. Products to be sold should be of a 'Single Brand' only.
- ii. Products should be sold under the same brand internationally
- iii. 'Single Brand' product-retailing would cover only products which are branded during manufacturing.

(d) FDI in retailing of 'Single Brand' products would, while meeting the growing demand of high end products, also brings in investments and provides access to modern technology and best practices not only in retailing but also in related support services, and in developing supply chain logistics. This is also expected to encourage sourcing of goods from India by such retail chains for their global operations.

Increase in exports

†890. DR. MURLI MANOHAR JOSHI:

SHRI RAM JETHMALANI:

Will the Minister of COMMERCE AND INDUSTRY be pleased to state:

(a) whether it is a fact that exports have risen in the country from 2000-01 to 2005-06;

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